

IN THE SUPERIOR COURT OF THE STATE OF WASHINGTON  
IN AND FOR KING COUNTY

DAVID T. GRIEGER, TIPSOO VENTURES,  
LLC, TIPSOO VENTURES BELLEVUE, LLC,  
TIPSOO VENTURES SHORELINE, LLC,  
TIPSOO VENTURES KIRKLAND, LLC,  
TIPSOO VENTURES LYNNWOOD, LLC and  
TIPSOO VENTURES SEATTLE, LLC,

Plaintiffs,

vs.

AAMCO TRANSMISSIONS, INC., and  
AMERICAN DRIVELINE CENTERS, INC.,

Defendants.

No. 14-2-14964-6 SEA

**COMPLAINT FOR BREACH OF  
CONTRACT**

Plaintiffs allege:

**PARTIES**

1. Plaintiff David T. Grieger is a resident of King County, Washington.
2. Plaintiff Tipsoo Ventures, LLC is a Washington limited liability company, owned and operated by David Grieger.
3. Plaintiff Tipsoo Ventures Bellevue, LLC is a Washington limited liability company, owned and operated by David Grieger.

COMPLAINT FOR BREACH OF CONTRACT- 1

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\*\*142151 (14196.01)



12. Grieger invested substantial capital in the Centers and assembled a strong management and operational team. However, the Centers struggled and profitability could not be achieved due, in large part, to deficiencies in brand recognition and marketing support. ATI disagreed with these reasons for the Centers' lack of profitability, and by a Settlement and Management Agreement dated August 31, 2012 ("Agreement"), ADC assumed exclusive control of the operation of the Centers until the Centers could be sold to third-party franchisees selected by ATI and ADC and at prices and terms established by ADC. Further, ADC would retain any net profits, pay any net losses, and agreed to fully indemnify Grieger, including on the Centers' leases.

13. The Agreement also provided in pertinent part:

- that as ADC sold each Center, it would pay Grieger fifty percent (50%) of the gross purchase price within five business days of closing (§17, §18);
- that it would provide notice to Grieger of pending sales, including a summary of the price and other terms (§14, "Pending Sale Notice");
- that upon closing, it would provide to Grieger a summary of the purchase and sale terms, including the gross purchase price paid, and a signed representation attesting to the accuracy of the summary and that no other consideration was paid (§14, "Final Purchase Terms");
- that within 18 months of the August 31, 2012 Agreement, or March 1, 2014, ADC would deliver Grieger a Promissory Note for \$850,000, less the sale proceeds of any of the Centers, at 5% per annum, over a three-year term, with the first monthly payments of principal and interest beginning on April 1, 2014 (§17, "Note");
- that if ADC had not closed on a sale of the yet-to-be-opened Woodinville Center, or a substitute Center, within 18 months of the Agreement, ADC would provide

1 Grieger with collateral worth at least \$125,000 as security for the Woodinville  
2 Center and the Note (§17);

- 3 • that Grieger continues to own the equipment of each Center not sold within 18  
4 months of the Agreement to secure ADC's payment under the Note (§17);
- 5 • that if any Center had not been sold within 54 months of the Agreement, ADC  
6 would pay Grieger an additional \$250,000, as the total sum for all unsold Centers  
7 (§17); and
- 8 • that ADC agreed to cancel the personal guaranty Grieger gave to Defendants. (§21)

9 14. On or about September 2, 2012, ATI assumed exclusive control of the Centers pursuant  
10 to the Agreement.

11 15. On information and belief, ADC sold one or more Centers and failed to pay Grieger  
12 fifty percent (50%) of the gross purchase price, which amount accrues pre-judgment interest, failed to  
13 provide the Pending Sale Notice, and failed to provide the Final Purchase Terms.

14 16. ADC failed to provide the Note on or by March 1, 2014, and failed to make any of the  
15 monthly payments of principal and interest required under the Agreement and Note, beginning with the  
16 April 1, 2014 payment, even after repeated requests by Grieger.

17 17. On information and belief, ADC closed one or more Centers but failed to account for,  
18 or otherwise protect Grieger's ownership interest in the equipment, or provide Grieger suitable  
19 collateral of equal value to secure the Note.

20 18. ADC failed to provide Grieger with collateral worth \$125,000 after it did not close on a  
21 sale of the Woodinville Center, or substitute Center, within 18 months of the Agreement.

22 19. ADC failed to provide to Grieger the cancelled personal guaranty.

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COMPLAINT FOR BREACH OF CONTRACT- 4

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1 **CAUSE OF ACTION: BREACH OF CONTRACT**

2 20. ATI's and ADC's actions, separately and together, constitute breach of the Agreement for  
3 which Grieger is entitled to damages, interest, and reasonable attorneys' fees and expenses.

4 **PRAYER FOR RELIEF**

5 Grieger respectfully asks that, to the extent allowed by applicable law, the Court grant  
6 judgment against ATI and ADC and award Grieger:

- 7 a. Damages in an amount to be proven at trial;  
8 b. Attorney fees and costs as the prevailing party pursuant to the Agreement;  
9 c. Prejudgment interest;  
10 d. Postjudgment interest; and  
11 e. All other relief that the Court deems just.

12 Dated this 28<sup>th</sup> day of May, 2014.

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14 ELLIS, LI & MCKINSTRY PLLC

15 By: /s/ Steven T. O'Ban  
16 Steven T. O'Ban WSBA#17265  
17 Attorneys for Plaintiffs  
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